



# **INFORMATION PACKAGE**

## **FIVE YEAR FINANCIAL PLAN**

### **2008 TO 2012**

- Highlights
- Five Year Financial Plan Bylaw No. 3610, 2008
- Schedule "A" to accompany Bylaw No. 3610, 2008



**CITY OF CRANBROOK  
FIVE YEAR FINANCIAL PLAN BYLAW NO. 3610  
2008 – 2012**

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**Taxation Levels**

The 2008 to 2012 Financial Plan includes budgeted tax revenues (property taxes) for **general** municipal purposes as follows:

<u>Year</u>	<u>Taxation Revenue</u>
2007	\$16,149,268
2008	17,026,136
2009	17,811,416
2010	19,002,401
2011	20,165,235
2012	20,893,822

In 2005 Council adopted Recapitalization Reserve Fund Bylaw No. 3526 to annually set aside money for the future upgrade or acquisition of municipal capital assets. The cumulative contribution of  $\frac{3}{4}$  of 1% of the property tax revenue is included in the taxes noted above.

\$1,500,000 from the General Fund accumulative surplus has been brought forward to address a number of 2008 expenditures including \$462,800 for projects not completed in 2007. No General Fund surplus monies are used in 2009 to 2012.

**Increase in General Municipal Property Taxes**

The average general municipal property tax increase (excluding school and other non-city taxes) for a residential property taxpayer whose property has an assessment increase in 2008 of 31.5% should be about 2.74%.

Property owners with assessment increases in 2008 above the average of 31.5% will notice a higher percent increase than 2.74% in municipal taxes and those with assessment increases below the average will experience a lower than average increase of 2.74%.

**Distribution of Property Taxes**

As per Section 165(3.1) of the *Community Charter*, the distribution of general municipal property taxes among the classes is estimated to be:

<u>Class</u>		<u>2008</u>
01	Residential	1.00
02	Utilities	7.40
05	Light Industry	3.57
06	Business and other	2.97
08	Rec/Non Profit	1.92
09	Farm	1.58

The above estimation is based on the 2007 distribution. On an annual basis, City Council reviews the distribution of property taxes among property classes.

### Utility and Parcel Tax Rates

The monthly utility fees for water, sewer, and solid waste (which were \$40 per month in 2007) are projected to be:

<u>Year</u>	<u>Monthly Rate</u>	<u>Revenue</u>
2008	\$45.75	\$5,277,218
2009	47.00	5,411,966
2010	47.50	5,496,160
2011	47.75	5,540,983
2012	47.75	5,568,688

The annual parcel tax charge (which was \$9 in 2007) is projected to be:

<u>Year</u>	<u>Rate per Taxable Meter Frontage</u>	<u>Revenue</u>	<u>Annual charge to average home (based on 15.25 m. lot)</u>
2008	\$ 9.00	\$ 1,470,215	\$ 137
2009	10.00	1,642,078	153
2010	11.00	1,815,624	168
2011	11.00	1,824,702	168
2012	11.00	1,833,826	168

Growth at an estimated rate of 0.5% is factored into the above revenue for the years 2008 to 2012.

### Capital Projects

The amounts designated for municipal capital expenditures over the next five years are:

2008 -	\$10,899,044
2009 -	11,482,900
2010 -	9,559,900
2011 -	12,156,000
2012 -	28,034,000

consisting of the following major projects:

#### 2008:

- 10 <sup>th</sup> Ave Road program and Spirit Square	\$ 2,043,000 (Grant \$500,000)
- Rails to Trails – trail development	1,460,000 (Grant \$940,000)
- Sewer projects	1,300,000
- Spray Irrigation projects	975,000 (Grant \$187,000)
- Public Works equipment (dump truck and sweeper)	435,000
- Downtown parking lot improvements	325,000
- Sidewalk – Alliance Church	293,000 (Church \$197,000)
- Garbage truck	180,000
- Memorial Arena condenser	100,000

2009:

- Sanitary sewer transfer pipeline	\$2,500,000
- Airport runway overlay	2,160,000 (Grant \$1,944,000)
- Water trunk mains and reservoirs	2,000,000
- Road program	1,800,000
- Spray Irrigation projects	650,000
- Sanitary sewer relining	350,000
- Airport water distribution system	250,000 (Grant \$125,000)
- Recreation Complex building and equipment	165,000
- Airport drainage fuel interceptors installation	125,000 (Grant \$112,000)
- Airport anti-ice truck	120,000 (Grant \$108,000)
- Airport lighting control panel	110,000 (Grant \$ 99,000)
- Traffic signals and street lights	100,000
- Cycle/sidewalk trail program	80,000
- Park Royal Playground	50,000 (Grant \$ 25,000)

2010:

- New Fire Hall	\$ 2,500,000
- Road program	1,650,000
- Memorial Arena (replace concrete slab, boards, glass)	850,000
- Public Works equipment (flat deck, plow/dump/water truck)	830,000
- Fire fighting equipment	500,000
- Airport equipment (plow truck and sweeper)	415,000 (Grant \$373,000)
- Sanitary sewer relining	350,000
- Public works building – roof repair	275,000
- Road recap program (local streets)	250,000
- Garbage truck	200,000
- Library building – roof repair	200,000
- RCMP cell blocks	200,000
- SCADA (water system computer equipment)	175,000
- Recreation Complex	162,000
- Street lights	100,000
- Cycle/sidewalk trail program	80,000

2011:

- Gold Creek reservoir	\$ 7,000,000 (Grant \$4,667,000)
- Road program	1,650,000
- Public Works Equipment (flatdeck, plow and bucket trucks)	720,000
- Sanitary sewer relining	350,000
- Road Recap Program ( local streets)	250,000
- Memorial Arena – Replace roof	250,000
- Airport taxiway overlay	150,000
- SCADA (water system computer equipment)	125,000
- Street lights	100,000
- Recreation Complex	100,000
- Cycle/sidewalk trail program	80,000

**2012:**

- Water treatment plant	\$12,000,000 (Grant \$8,000,000)
- Lagoon relocation	10,000,000
- Road program	1,650,000
- Satellite Fire hall	1,500,000
- Public Works Equipment	500,000
- Amphitheatre Moir Park	300,000 (Grant \$100,000)
- Road recap program (local streets)	250,000
- Street lighting	200,000
- Airport maintenance facility	200,000 (Grant \$100,000)
- Recreation Complex	100,000
- Cycle/sidewalk trail program	80,000

The water treatment plant, Gold Creek reservoir and lagoon relocation are dependent upon receiving infrastructure grants and/or approval to borrow.

**Airport Expansion/Improvement**

Construction began in 2006 at the Canadian Rockies International Airport to improve the terminal building and extend the runway to 8,000 feet. The runway extension was completed in 2006 and the terminal building is currently about 80% complete. The project has a budget of \$12,500,000 and is expected to be completed in the Summer of 2008. The sources of financing for this project are:

\$4,500,000	Federal Government
4,500,000	Provincial Government
2,700,000	MFA borrowing
800,000	City and Regional contributions

Based on the business plan assumptions, there will be sufficient money collected from the Airport Improvement Fee, which was put into place effective May 1, 2006, to retire the loan without any contribution from City property taxes.

**Cranbrook Public Library**

The new Cranbrook Public Library opened its doors in December 2006. The City entered into a 2 year lease (renewal for 18 years) commencing January 1, 2007, with the Library Board for the space occupied by the Library. RDEK and the City have also agreed on a 20 year 20% RDEK Funding Agreement.

**Road Program**

10<sup>th</sup> Avenue (Baker Street to 2<sup>nd</sup> Street/Spirit Square) has been chosen as the 2008 Road Program project at a cost of \$2,043,000 which includes a \$500,000 Provincial Grant and \$173,000 from the Municipal Infrastructure Reserve.

#### **Multi-Purpose Recreation Complex**

The Financial Plan reflects that the City took over the operation of the Rec Plex in March, 2007. Projected revenues in 2008 from the Rec Plex, including pool operations, are \$1,163,760. Expenses are estimated to be \$2,484,301 before debt payments of \$1,792,430.

#### **Regional Landfill**

The City's contribution to the RDEK landfill operations in 2008 is expected to be \$1,739,300.

#### **Growth Management Study**

In 2007, the City budgeted for preparation of a Growth Management Study. Upon further review, it became apparent that existing infrastructure related studies were too outdated to provide an adequate foundation for review of related capacities and projected future requirements. The project's terms of reference were revised to be broader in scope to better consider the implications of growth. The study is intended to review City infrastructure and servicing capacity based on known development potential plus projected development, at an estimated cost of \$500,000.

#### **Financial Support**

The City provides funding to organizations and agencies which provide services to the community including the Cranbrook Public Library, Key City Theatre, Chamber of Commerce, and Museum of Rail Travel. In 2008 the funding is budgeted to be \$789,565.

In addition, City Council has approved permissive tax exemptions to not-for-profit organizations in 2008 in the estimated amount of \$133,770.

#### **Public Transit**

In partnership with BC Transit, the City continues to provide public transit and paratransit to the residents of Cranbrook. The cost of this service is shared with BC Transit. The City's share for 2008 is budgeted at \$448,400 net of revenue.

#### **RCMP**

The City has a contract with the RCMP to provide police services for the City. The 2008 contract for 24 Officers is budgeted at \$2,857,609. The plan is to increase the number of RCMP Officers to 25 in 2009.

#### **Reserve Fund Activity**

Budgeted deposits to reserve funds in 2008 amount to \$2,810,850 including:

\$522,470	Keen Rose termination payment for Rec Complex
473,300	Airport Improvement Fees
426,000	Recapitalization reserve for municipal capital assets
417,000	Federal gas tax rebate for infrastructure tangible capital assets
190,000	GST rebate for residential infrastructure programs
349,000	Equipment replacement reserve
120,800	Library building net revenue

Reserve funds of \$2,679,100 are being spent in 2008 for various projects including:

\$706,000	Airport improvement projects and debt servicing
465,000	Rails to Trails
400,000	Public Works Equipment
400,000	Downtown parking lot improvements
173,000	Road Program – 10 <sup>th</sup> Avenue and Spirit Square
100,000	Old Library demolition

#### **Development Cost Charge Activity**

Development cost charge monies of \$505,000 may be used to pay developers in 2008 for oversizing rebates.

#### **Borrowing**

Over the five-year period 2008 to 2012, the City plans to borrow approximately \$26,565,000 for various capital projects as follows:

<u>Capital Project</u>	<u>Year</u>	<u>Amount</u>	<u>Term</u>	<u>Payment</u>
Spray Irrigation projects	2008	765,000	20 years	68,850
Water trunk mains	2009	2,000,000	20 years	180,000
Spray Irrigation projects	2009	650,000	20 years	58,500
Transfer pipeline (sewer)	2009	2,500,000	20 years	225,000
Fire fighting equipment	2010	250,000	5 years	60,000
Fire Hall	2010	2,500,000	20 years	225,000
Gold Creek reservoir	2011	2,400,000	20 years	216,000
Fire Hall	2012	1,500,000	20 years	135,000
Water treatment plant	2012	4,000,000	20 years	360,000
Lagoon expansion	2012	10,000,000	20 years	900,000

#### **Salaries and Wages**

The City's Collective Agreement with CUPE 2090 expires February 28, 2009. It provides for an increase of 2.5% in 2008.

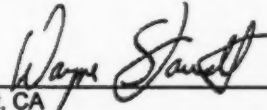
The City's Collective Agreement with Cranbrook Fire Fighters Local 1253 expires on December 31, 2008. The 2007 and 2008 wages have not yet been determined as they are based upon the Vancouver fire fighters contract which has not been settled as yet.

**Amortization of Capital Assets**

Effective 2009, the new Public Sector accounting rules will require the City to amortize (depreciate) its tangible assets over their useful life. The Five Year Financial Plan does not reflect this accounting requirement at this time.

**Further Information**

More information may be obtained by contacting Wayne Staudt, Director of Finance and Computer Services, at City Hall, 40 – 10<sup>th</sup> Avenue South, Cranbrook, BC, or by telephone at 1-250-426-0211.



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W. Staudt, CA  
Director of Finance and Computer Services





# The Corporation of the City of Cranbrook

BYLAW NO. 3610

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## FIVE YEAR FINANCIAL PLAN BYLAW

The Municipal Council of the Corporation of the City of Cranbrook, in open meeting assembled, enacts as follows:

1. THAT Schedule "A" attached hereto and forming part of this Bylaw is hereby declared to be the Five Year Financial Plan for the years 2008 to 2012, inclusive.
2. THAT this bylaw may be cited as "Five Year Financial Plan Bylaw No. 3610, 2008."

Read a first time this 3rd day of March, 2008.

Read a second time 3rd day of March, 2008.

Read a third time 3rd day of March, 2008.

Adopted 17th day of March, 2008.

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Mayor

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Municipal Clerk

**CORPORATION CITY OF CRANBROOK  
SCHEDULE " A "  
TO ACCOMPANY BYLAW NO. 3610  
CONSOLIDATED FINANCIAL PLAN 2008 TO 2012  
UNAUDITED**

REVENUE	2008	2009	2010	2011	2012
GENERAL MUNICIPAL PROPERTY TAXES	-18,126,116	-18,126,116	-19,317,101	-19,317,101	-19,317,101
PAYMENTS IN LIEU OF TAXES	-235,000	-235,000	-235,000	-235,000	-235,000
PARCEL & LOCAL AREA SERVICE TAXES	-1,692,016	-1,692,016	-1,865,562	-1,870,658	-1,879,78
SALE OF SERVICES & FEES	-4,144,624	-4,144,624	-4,085,263	-4,232,727	-4,342,20
AIRPORT FEES	-1,938,595	-1,938,595	-1,987,061	-2,111,973	-2,184,84
WATER/SEWER/SOLID WASTE FEES	-5,675,440	-5,675,440	-5,759,634	-5,801,255	-5,832,16
RENTALS	-375,105	-375,105	-377,010	-378,935	-380,85
RETURN ON INVESTMENTS	-143,500	-143,500	-143,500	-143,500	-143,500
FINES, PENALTIES & INTEREST	-233,660	-233,660	-233,660	-233,660	-233,660
TRANSFERS FROM OTHER GOV'TS	-3,754,073	-3,754,073	-1,931,391	-6,131,662	-6,395,81
TRANSFERS FROM RESERVES	-1,118,086	-1,118,086	-2,449,086	-3,140,086	-3,975,95
TRANSFERS FROM SURPLUS	-428,817	-428,817	-871,406	-886,249	-869,87
<b>TOTAL CITY REVENUE</b>	<b>-42,837,63</b>	<b>-37,865,032</b>	<b>-39,255,674</b>	<b>-43,501,373</b>	<b>-46,117,30</b>
BORROWING FOR CAPITAL	-5,150,000	-5,150,000	-2,750,000	-2,333,333	-1,500,000
BORROWED PROCEEDS FOR CAPITAL	-344,000	-344,000	-344,000	-344,000	-344,000
COLLECTIONS FOR OTHER GOVERNMENTS	-8,053,865	-8,053,865	-8,053,865	-8,053,865	-8,053,865
BORROWING FOR SPECIAL PROJECTS	-66,667	-66,667	-66,667	-66,667	-66,667
<b>TOTAL ALL REVENUE</b>	<b>-56,412,162</b>	<b>-51,068,897</b>	<b>-50,126,206</b>	<b>-52,299,238</b>	<b>-56,037,832</b>

CORPORATION CITY OF CRANBROOK  
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CONSOLIDATED FINANCIAL PLAN 2008 TO 2012  
UNAUDITED

REVENUE	2008	2009	2010	2011	2012
GENERAL MUNICIPAL PROPERTY TAXES	-17,340,836	-18,126,116	-19,317,101	-20,479,935	-21,208,522
PAYMENTS IN LIEU OF TAXES	-235,000	-235,000	-235,000	-235,000	-235,000
PARCEL & LOCAL AREA SERVICE TAXES	-1,520,152	-1,692,016	-1,865,562	-1,870,658	-1,879,782
SALE OF SERVICES & FEES	-4,772,456	-4,144,624	-4,085,263	-4,232,727	-4,342,208
AIRPORT FEES	-1,879,607	-1,938,595	-1,987,061	-2,014,473	-2,064,833
WATER/SEWER/SOLID WASTE FEES	-5,845,694	-5,675,440	-5,759,634	-5,804,458	-5,832,163
RENTALS	-373,250	-375,105	-377,010	-378,965	-380,965
RETURN ON INVESTMENTS	-233,500	-143,500	-143,500	-143,500	-143,500
FINES, PENALTIES & INTEREST	-233,660	-233,660	-233,660	-233,660	-233,660
TRANSFERS FROM OTHER GOV'TS	-3,608,891	-3,754,073	-1,931,391	-6,131,662	-9,395,516
TRANSFERS FROM RESERVES	-2,679,066	-1,118,086	-2,449,086	-1,140,086	-629,086
TRANSFERS FROM SURPLUS	-4,115,525	-428,817	-871,406	-836,249	-569,370
<b>TOTAL CITY REVENUE</b>	<b>-42,837,637</b>	<b>-37,865,032</b>	<b>-39,255,674</b>	<b>-43,501,373</b>	<b>-46,914,605</b>
BORROWING FOR CAPITAL	-765,000	-5,150,000	-2,750,000	-2,333,333	-15,500,000
BORROWED PROCEEDS FOR CAPITAL	-341,649				
COLLECTIONS FOR OTHER GOVERNMENTS	-8,053,865	-8,053,865	-8,053,865	-8,053,865	-8,053,865
BORROWING FOR SPECIAL PROJECTS			-66,667		
<b>TOTAL ALL REVENUE</b>	<b>-\$51,998,151</b>	<b>-\$51,068,897</b>	<b>-\$50,126,206</b>	<b>-\$53,888,571</b>	<b>-\$70,468,470</b>

**CORPORATION CITY OF CRANBROOK  
SCHEDULE " A "  
TO ACCOMPANY BYLAW NO. 3610  
CONSOLIDATED FINANCIAL PLAN 2008 TO 2012  
UNAUDITED**

<b>EXPENDITURES</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
GENERAL GOVERNMENT SERVICES		5,136,359	5,251,343		
PROTECTIVE SERVICES		6,775,827	6,984,997		
ENGINEERING SERVICES		798,679	814,898		
PUBLIC WORKS SERVICES		3,335,031	3,417,223		
WATER/SEWER/SOLID WASTE		4,513,252	4,739,832		
RECREATION & CULTURAL SERVICES		3,388,142	3,395,805		
AIRPORT		1,257,437	1,289,059		
DEBT PAYMENTS		3,361,200	3,747,500		
TRANSFER TO RESERVES		2,516,250	2,634,375		
TRANSFER TO SURPLUS		449,955	170,742		
CAPITAL EXPENDITURES FROM REVENUE		6,332,900	6,809,900		
<b>TOTAL CITY EXPENDITURES</b>		<b>37,865,032</b>	<b>39,255,674</b>		
CAPITAL FROM BORROWING		5,150,000	2,750,000		
BORROWED PROCEEDS FOR CAPITAL					
TRANSFERS TO OTHER GOV'TS		8,053,865	8,053,865		
BORROWING FOR SPECIAL PROJECTS			66,667		
<b>TOTAL ALL EXPENDITURES</b>		<b>\$51,068,897</b>	<b>\$50,126,206</b>		

CORPORATION CITY OF CRANBROOK  
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EXPENDITURES	2008	2009	2010	2011	2012
GENERAL GOVERNMENT SERVICES	5,481,424	5,136,359	5,251,343	5,423,135	5,498,026
PROTECTIVE SERVICES	6,583,537	6,775,827	6,984,997	7,299,167	7,413,575
ENGINEERING SERVICES	1,032,940	798,679	814,898	835,110	855,828
PUBLIC WORKS SERVICES	3,301,673	3,335,031	3,417,223	3,501,469	3,587,822
WATER/SEWER/SOLID WASTE	5,187,807	4,513,252	4,739,832	4,716,389	4,829,066
RECREATION & CULTURAL SERVICES	3,363,576	3,388,142	3,395,805	3,480,535	3,567,384
AIRPORT	1,601,859	1,257,437	1,289,059	1,315,908	1,348,993
DEBT PAYMENTS	3,527,125	3,361,200	3,747,500	4,033,145	4,245,145
TRANSFER TO RESERVES	2,810,853	2,516,250	2,634,375	2,752,746	2,871,356
TRANSFER TO SURPLUS	154,448	449,955	170,742	321,102	163,410
CAPITAL EXPENDITURES FROM REVENUE	9,792,395	6,332,900	6,809,900	9,822,667	12,534,000
<b>TOTAL CITY EXPENDITURES</b>	<b>42,837,637</b>	<b>37,865,032</b>	<b>39,255,674</b>	<b>43,501,373</b>	<b>46,914,605</b>
CAPITAL FROM BORROWING	765,000	5,150,000	2,750,000	2,333,333	15,500,000
BORROWED PROCEEDS FOR CAPITAL	341,649				
TRANSFERS TO OTHER GOV'TS	8,053,865	8,053,865	8,053,865	8,053,865	8,053,865
BORROWING FOR SPECIAL PROJECTS			66,667		
<b>TOTAL ALL EXPENDITURES</b>	<b>\$51,998,151</b>	<b>\$51,068,897</b>	<b>\$50,126,206</b>	<b>\$53,888,571</b>	<b>\$70,468,470</b>

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	2008	2009	2010	2011	2012
<b>CAPITAL EXPENDITURES</b>					
GENERAL GOVERNMENT SERVICES					
FROM REVENUE		70,000	47,000		
FROM BORROWING					
PROTECTIVE SERVICES					
FROM REVENUE		87,900	466,900		
FROM BORROWING			2,750,000		
TRANSPORTATION SERVICES					
FROM REVENUE		1,930,000	2,540,000		
FROM BORROWING					
WATER/SEWER/SOLID WASTE					
FROM REVENUE		1,015,000	1,769,000		
FROM BORROWING		5,150,000			
RECREATIONAL & CULTURAL SERVICES					
FROM REVENUE		405,000	1,422,000		
FROM BORROWING					
AIRPORT					
FROM REVENUE		2,825,000	565,000		
BORROWED PROCEEDS					
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>\$11,482,900</b>	<b>\$9,559,900</b>		

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	2008	2009	2010	2011	2012
<b>CAPITAL EXPENDITURES</b>					
GENERAL GOVERNMENT SERVICES					
FROM REVENUE	65,000	70,000	47,000	20,000	49,000
FROM BORROWING					
PROTECTIVE SERVICES					
FROM REVENUE	225,600	87,900	466,900	281,000	130,000
FROM BORROWING			2,750,000		1,500,000
TRANSPORTATION SERVICES	3,696,709	1,930,000	2,540,000	2,450,000	2,345,000
FROM REVENUE					
FROM BORROWING					
WATER/SEWER/SOLID WASTE					
FROM REVENUE	3,024,250	1,015,000	1,769,000	5,911,667	9,075,000
FROM BORROWING	765,000	5,150,000		2,333,333	14,000,000
RECREATIONAL & CULTURAL SERVICES					
FROM REVENUE	1,935,971	405,000	1,422,000	665,000	735,000
FROM BORROWING					
AIRPORT					
FROM REVENUE	844,865	2,825,000	565,000	495,000	200,000
BORROWED PROCEEDS	341,649				
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$10,899,044</b>	<b>\$11,482,900</b>	<b>\$9,559,900</b>	<b>\$12,156,000</b>	<b>\$28,034,000</b>